ANNEX 5
FORTUN NARVASA & SALAZAR

CENTRAL RECORDS DIVISION
FILE COPY

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL MANILA

Office of the President
REPUBLIC OF THE PHILIPPINES
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MEMORANDUM FOR THE PRESIDENT

Thru : **The Executive Secretary**

From : The Secretary, Department of Budget and Management

Subject : **OFFICE OF THE VICE-PRESIDENT (OVP) — RELEASE OF FUNDS FOR ADDITIONAL REQUIREMENTS FOR FY 2022**

1.0 NATURE OF REQUEST

1.1 This refers to the letter of the Vice President of the Philippines, Sarah Z. Duterte, seeking DBM's evaluation and recommendation on the release of additional requirements for FY 2022 in the amount of P403.460 Million to cover the following:

Particulars	Amount ('000)
PS	
Special Duty Allowance (SDA) for the Vice-Presidential Security and Protection Group (VPSPG)	8,740
Sub-total, PS	**8,740**
MOOE	
Financial Assistance/Subsidy	144,720
Confidential Fund (CF)	250,000
Sub-total, MOOE	**394,720**
Grand Total (PS+MOOE)	**403,460**

2.0 COMMENTS/FINDINGS

2.1 The proposed additional **P8.740 Million** for SDA of the additional of 355 security personnel to complement the OVP's VPSPG during the year is subject to the determination of the Armed Forces of the Philippines (AFP) and Philippine National Police (PNP) of the required number of personnel to be detailed to the OVP pursuant to AFP Staff Memorandum No. 01 dated February 17, 2014 and Republic Act No.6975[1].

2.1.1 The corresponding SDA, which is a Personnel Services (PS) item shall be accommodated within any available PS allotment of the OVP.

2.2 The augmentation of financial assistance/subsidy in the amount of **P144.72 Million** is due to the establishment of seven (7) satellite offices in Bacolod, Cebu, Dagupan, Davao, Surigao, Tacloban and Zamboanga. The creation of the said offices enables the OVP to extend its services such as the Medical and Burial Assistance Program, to marginalized communities across the country.

2.2.1 The OVP's FY 2022 total budget amounts to P702.035 Million. Out of the total budget, P343.970 Million is allocated for the financial assistance/subsidy activity of the Office.

2.2.2 Per Financial Accountability Report (FAR) No. 1 as of June 30, 2022, only P198.296 Million is the balance for financial assistance/subsidy of the OVP and will be insufficient to cover the requirements of the newly established satellite offices. The deficiency in the financial assistance/subsidy of the OVP amounts only to P96.424 Million, computed as follows:

Subsidy Balance as of June 30, 2022 *(based on FAR No. 1)*	₱ 198,296
Less: Jul-Dec Reqts *(based on submitted projection attached as Annex A)*	(294,720)
Surplus/(Deficit)	**₱ (96,424)**

[1] An Act Establishing the Philippine National Police Under a Reorganized Department of the Interior and Local Government, and For Other Purposes dated December 13, 1990

2.2.3 The additional requirement will cater to 19,854 target beneficiaries by the end of year as per submitted Annex A.

2.3 The CF in the amount of P250 Million for FY 2022 is in consideration of the safe implementation of the various projects and activities under the Good Governance Program of the OVP and the conduct of its official engagements and functional representation in International and domestic events.

2.3.1 The OVP has no provision for CF under the FY 2022 General Appropriations Act (GAA), Republic Act No. 11639.

2.3.2 In accordance with Item 4.2 of the COA-DBM-DILG-GCG-DND JC No. 2015-01[2], the OVP submitted its Physical and Financial Plan for the proposed FY 2022 CF which states that the said fund will be used in the safe implementation of OVP initiatives and confidence-building under its Good Governance Program across its Satellite Offices for FY 2022.

2.3.3 The proposed CF covers the safe implementation of OVP's programs and projects for the 2nd semester of FY 2022. However, considering that the first half of the semester is already over, we are only recommending P125 Million to cover the requirement for the last quarter of the year.

Fund Source:

2.4 Special Provision (SP) No. 1 under the FY 2022 Contingent Fund provides that an amount of P7 Billion is appropriated therein to cover funding requirements of new or urgent activities of national government agencies, GOCCs, and LGUs that need to be implemented of paid during the year i.e. in the case of OVP's request, requirement of newly created offices, **subject to the approval by the President of the Philippines**.

[2] Guidelines on the Entitlement, Release, Use, Reporting and Audit of Confidential and/or Intelligence Funds

3.0 RECOMMENDATION

3.1 In view of the foregoing, we respectfully recommend the approval of the amount of P221.424 Million, chargeable against the Contingent Fund under the FY 2022 GAA, RA No. 11639, to cover the following MOOE items:

Particulars	Amount ('000)
Financial Assistance/Subsidy	96,424
Confidential Fund	125,000
Total	**221,424**

4.0 For the President's consideration/approval. Thank you.

AMENAH F. PANGANDAMAN

[ ] APPROVED

[ ] DISAPPROVED

H.E. FERDINAND ROMUALDEZ MARCOS JR.

Date: _____